

# Exhibit 1

## **City of Evanston Inclusionary Housing Program**

### **Requiring the Inclusion of Affordable Dwelling Units in New Residential, For-Sale Developments with 25 or More Units**

*Effective March 2007*

#### **EVANSTON'S INCLUSIONARY HOUSING PROGRAM ....**

Involves private sector developers in helping to meet the City's goal of diverse housing opportunities for residents of all income levels by increasing home purchase opportunities throughout the City for moderate income Evanston workers or renters.

The program requires 10% of the units in new, residential, owner-occupied developments to be Affordable Dwelling Units, available to low and moderate income households at below market prices.

Affordable Dwelling Units will be available to households at or below 100% of Area Median Income. One fourth of the Affordable Dwelling Units must be priced so they are affordable to households under 80% of Area Median Income.

Applies to developments with 25 or more owner-occupied dwelling units.

Developers may pay a fee of \$40,000 per affordable unit in lieu of providing Affordable Dwelling Units on site. Funds will go into the Affordable Housing Trust Fund to develop, maintain or support affordable housing for low and moderate income households.

*If you are interested in purchasing an Affordable Dwelling Unit, see Information for Potential Purchasers.*

*If you are a developer, see Information for Developers.*

#### **For more information on the program contact:**

Donna Spicuzza, Housing Planner, 847-866-2928

James Wolinski, Community Development Director, 847-866-8022

## Information for Developers

<b>Applicable Developments</b>	25 or more owner-occupied dwelling units, subject to the Planned Development requirements.
<b>Affordable Requirement</b>	10% of the total number of dwelling units shall be affordable
<b>Eligible Purchasers</b>	<ul style="list-style-type: none"> <li>• 3 /4 of units for households at or under 100% of Area Median Income (AMI)</li> <li>• 1/4 of units for households at or under 80% AMI</li> <li>• Income caps are based on household size</li> </ul>
<b>Affordability Controls for Affordable Dwelling Units</b>	Agree to execute documents to ensure affordability in perpetuity or as long as allowed by law
<b>Payment <i>in Lieu</i> of providing Affordable Dwelling Units</b>	<ul style="list-style-type: none"> <li>• \$40,000 per Affordable Dwelling Unit.</li> <li>• Deposited in Affordable Housing Trust Fund</li> <li>• Payment must be received prior to issuance of Temporary Certificate of Occupancy</li> <li>• Payment amount determined annually in April</li> </ul>
<b>Alternative Equivalent Proposal</b>	<ul style="list-style-type: none"> <li>• Increase affordable housing opportunities to the same extent, such as off-site affordable units or providing vacant land at another site</li> <li>• Subject to review and approval by Planning and Development Committee</li> </ul>
<b>Reduction or Waiver of Requirements</b>	<ul style="list-style-type: none"> <li>• May seek a reduction in the number of affordable dwelling units or payment of fee-in-lieu by submitting evidence that full compliance would be financially infeasible</li> <li>• May request a waiver from providing affordable dwelling units, fee in lieu or any alternative proposal if such compliance would be financially infeasible, by submitting clear financial evidence and a detailed explanation</li> <li>• Subject to review and approval by the Planning and Development Committee</li> </ul>
<b>Cost Offsets</b>	<ul style="list-style-type: none"> <li>• Expedited application process</li> <li>• Deferred payment of fees related to the Covered Development until issuance of the temporary Certificate of Occupancy</li> <li>• Waiver of fees related to the Affordable Dwelling Units built on site</li> </ul>

**Income Eligibility**

	<b>¾ of Units Set-aside</b>	<b>¼ of Set-aside Units</b>
<b>Household Size</b>	<b>100% Level</b>	<b>80% Level</b>
<b>1</b>	<b>\$52,800</b>	<b>\$41,700</b>
<b>2</b>	<b>\$60,300</b>	<b>\$47,700</b>
<b>3</b>	<b>\$67,900</b>	<b>\$53,650</b>
<b>4</b>	<b>\$75,400</b>	<b>\$59,600</b>
<b>5</b>	<b>\$81,400</b>	<b>\$64,350</b>
<b>6</b>	<b>\$87,500</b>	<b>\$69,150</b>
<b>7</b>	<b>\$93,500</b>	<b>\$73,900</b>
<b>8</b>	<b>\$99,500</b>	<b>\$78,650</b>

For example, the two-person household income cap for three-fourths of the Affordable Dwelling Units is \$60,300, and the four-person household income cap is \$75,400. One fourth of the Affordable Dwelling Units must be priced so as to be affordable to households at the 80% of median income level, which is \$47,700 for a household of two and \$59,600 for a household of four.

**Initial Affordable Pricing by Size of Dwelling Unit**

<b>Initial Affordable Pricing by Unit Size</b>	<b>For Purchasers at or below 100% AMI</b>	<b>For Purchasers at or below 80% AMI</b>
1 Bedroom	\$165,500	\$108,000
2 Bedroom	\$182,000	\$117,000
3 bedroom	\$199,000	\$126,500

*Effective April, 2007*

Affordable prices were calculated based on 95% mortgage financing with an interest rate of 6.14% and allowances for Homeowner Insurance, Real Estate Taxes, and Monthly Association Assessment.

**Contact the Community Development Department prior to submitting a Planned Development Application:**

James Wolinski: 847-866-8022

Donna Spicuzza: 847-866-2928

## Information for Potential Purchasers

**There are no Developments offering Affordable Dwelling Units at this time. Please check this page again for updates.**

Project information will be publicized via this web site, the City's "News of Evanston" e-mails, and notices to local organizations, media, and interested persons. The publicity will explain how to get on the Interest List, which will be established after the first project is approved. Names will be retained on the Interest List for one year and will receive Project Information updates.

Prospective purchasers must have household income under the established income caps. The caps are based on Area Median Income figures published annually by the U.S. Department of Housing and Urban Development, and are adjusted by household size. These are the Income Eligibility Caps for 2007:

### **2007 Income Eligibility Caps**

<b>Household Size</b>	<b>100% Level</b>	<b>80% Level</b>
<b>1</b>	<b>\$52,800</b>	<b>\$41,700</b>
<b>2</b>	<b>\$60,300</b>	<b>\$47,700</b>
<b>3</b>	<b>\$67,900</b>	<b>\$53,650</b>
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<b>8</b>	<b>\$99,500</b>	<b>\$78,650</b>

One fourth of the Affordable dwelling units will be priced at a level that is affordable to households at the 80% income level, with the rest priced at a level affordable to households at the 100% income level.

Priority for Affordable Dwelling Units will first be given to

- Households who currently live in Evanston, or once lived in Evanston and a former household member currently lives in Evanston, or
- Households in which the head of the household, spouse or domestic partner works in Evanston